



MICHIGAN  
HOUSE OF REPRESENTATIVES  
P.O. Box 30014  
LANSING, MICHIGAN 48909-7514

**THE MINUTES OF THE HOUSE STANDING COMMITTEE  
ON  
FINANCIAL LIABILITY REFORM**

**Wednesday, March 16, 2016**

**11:45 a.m.**

**Room 327 House Office Building**

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The House Standing Committee on Financial Liability Reform was called to order by **Representative Pat Somerville**, Chair.

**MEMBERS PRESENT:** Representatives Somerville, Leutheuser, Farrington, LaFontaine, Lyons, Poleski, Wittenberg, Byrd and Chirkun.

**MEMBERS ABSENT/EXCUSED:** None.

**Representative Farrington** moved to adopt the minutes of the **March 9, 2016**, meeting. There being no objection, the motion prevailed by unanimous consent.

**Chair Somerville** laid **HB 5421** before the committee:

HB 5421 (Cox)	Retirement; health benefits; management of certain health care trust funds; modify.
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**TESTIMONY**

**Representative Cox**, sponsor of HB 5421, explained her bill and submitted written testimony to the committee.

**Donald Taylor**, President of the Retired Detroit Police and Fire Fighting Association, testified and submitted written testimony in support of the bill.

**Chair Somerville** laid **HB 4338** before the committee:

HB 4338 (Forlini)	Retirement; public school employees; reporting unit designating its own Tier 2 contract and account plan; allow.
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The committee adopted substitute (H-1) to HB 4338 on March 9, 2016.

**Representative Wittenberg** offered and moved to adopt the following amendment to **HB 4338 (H-1)**:

1. Amend page 5, line 16, after “(2)” by striking out “A” and inserting “**NOT MORE THAN ONCE PER SCHOOL YEAR, A**”.

The motion did not prevail by a vote of **3-6-0**.

**UNFAVORABLE ROLL CALL:**

YEAS: Representatives Wittenberg, Byrd and Chirkun.

NAYS: Representatives Somerville, Leutheuser, Farrington, LaFontaine, Lyons and Poleski,

PASS: None.

**Representative LaFontaine** offered and moved to adopt the following amendment to **HB 4338 (H-1)**:

1. Amend page 5, following line 11, by inserting:

**"(F) IN REVIEWING A RESPONDING ENTITY'S PROPOSAL UNDER SUBDIVISION (E), THE DEPARTMENT SHALL CONSIDER ALL OF THE FOLLOWING:**

**(i) THE EXPERIENCE OF THE ENTITY IN PROVIDING SERVICES TO SIMILAR TYPES OF RETIREMENT PLANS.**

**(ii) THE QUALITY OF THE INVESTMENT OPTIONS THAT WOULD BE OFFERED TO QUALIFIED PARTICIPANTS.**

**(iii) THE SUITABILITY OF THE INVESTMENT OPTIONS TO THE NEEDS AND INTERESTS OF QUALIFIED PARTICIPANTS.**

**(iv) THE CAPABILITY AND THE COMMITMENT OF THE ENTITY TO PERFORM IN A MANNER THAT IS IN THE BEST INTERESTS OF QUALIFIED PARTICIPANTS.**

**(v) THE FEES AND EXPENSES ASSOCIATED WITH PROPOSED INVESTMENT OPTIONS."** and relettering the remaining subdivision.

The motion prevailed by a vote of **9-0-0**.

**FAVORABLE ROLL CALL:**

YEAS: Representatives Somerville, Leutheuser, Farrington, LaFontaine, Lyons, Poleski, Wittenberg, Byrd and Chirkun,

NAYS: None,

PASS: None.

**Representative LaFontaine** moved to report **HB 4338** with recommendation as substitute **(H-2)**.

The motion prevailed by a vote of **6-2-1**.

**FAVORABLE ROLL CALL:**

YEAS: Representatives Somerville, Leutheuser, Farrington, LaFontaine, Lyons, Poleski,

NAYS: Representatives Byrd and Chirkun,

PASS: Representative Wittenberg.

**Chair Somerville** laid **HR 223** before the committee:

HR 0223 (Forlini)

A resolution to memorialize the Congress of the United States to enact the Retail Investor Protection Act and also to enact legislation that prohibits the United States Department of Labor from amending fiduciary duty regulations to define retirement savings brokers and agents as fiduciaries, including those previously not deemed fiduciaries.

**Representative LaFontaine** moved to report **HR 223** with recommendation.

The motion prevailed by a vote of **6-3-0**.

**FAVORABLE ROLL CALL:**

YEAS: Representatives Somerville, Leutheuser, Farrington, LaFontaine, Lyons, Poleski

NAYS: Representatives Wittenberg, Byrd and Chirkun,

PASS: None.

The committee returned to the consideration of **HB 5421**.

**TESTIMONY**

**Michael Grodi**, representing the Michigan Association of Public Employee Retirement Systems (MAPERS) and **Michael VanOverbeke**, general counsel for (MAPERS), testified and submitted written testimony in opposition to the bill.

Questions and discuss followed.

There being no further business to come before the committee, the Chair adjourned the meeting at 12:39 p.m.

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**Representative Pat Somerville, Chair**  
**House Standing Committee on Financial Liability Reform**  
Malika Abdul-Basir  
Committee Clerk  
517-373-7256  
54 Minutes